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STATUTORY INSTRUMENTS

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**2020 No. 551**

**AGRICULTURE**

**The Direct Payments Penalty  
Simplification (England) Regulations 2020**

<i>Made</i>	- - - -	<i>28th May 2020</i>
<i>Laid before Parliament</i>		<i>1st June 2020</i>
<i>Coming into force</i>	- -	<i>22nd June 2020</i>

The Secretary of State makes these Regulations in exercise of the powers conferred by Article 77(8) of Regulation (EU) No 1306/2013 of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy insofar as it relates to direct payment schemes<sup>(1)</sup>.

**Citation, commencement, extent and application**

1.—(1) These Regulations may be cited as the Direct Payments Penalty Simplification (England) Regulations 2020 and come into force on 22nd June 2020.

(2) These Regulations extend to England and Wales and apply in England only.

**Amendment of Regulation (EU) No 640/2014**

2.—(1) Commission Delegated Regulation (EU) No 640/2014 supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to the integrated administration and control system and conditions for refusal or withdrawal of payments and administrative penalties applicable to direct payments, rural development support and cross-compliance insofar as it relates to direct payment schemes<sup>(2)</sup> is amended as follows.

(2) In Article 19a—

(a) for paragraph 2, substitute—

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- (1) EUR 2013/1306, to which relevant amendments have been made by [S.I. 2020/90](#). This Regulation was incorporated into domestic law with effect from exit day, in so far as relating to the direct payment schemes, by section 1 of the Direct Payments to Farmers (Legislative Continuity) Act 2020 ([c.2](#)).
- (2) EUR 2014/640, to which relevant amendments have been made by [S.I. 2020/90](#). This Regulation was incorporated into domestic law with effect from exit day, in so far as relating to the direct payment schemes, by section 1 of the Direct Payments to Farmers (Legislative Continuity) Act 2020 ([c.2](#)).

“2. The administrative penalty referred to in paragraph 1 is to be reduced by 50% if the difference between the area declared and the area determined does not exceed 10% of the area determined.”;

(b) omit paragraph 3;

(c) in paragraph 4, for “paragraphs 1, 2 and 3” substitute “paragraphs 1 and 2”.

*Victoria Prentis*  
Parliamentary Under Secretary of State  
Department for Environment, Food and Rural  
Affairs

28th May 2020

## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations amend Commission Delegated Regulation (EU) No 640/2014. Regulation 640/2014 was incorporated into domestic law insofar as relating to direct payments on exit day under the Direct Payments to Farmers (Legislative Continuity) Act 2020 (c.2). These Regulations make amendments to Article 19a in order to simplify the calculation of administrative penalties for over-declaration of areas for the basic payment scheme and young farmers scheme in England.

An impact assessment has not been produced for this instrument as no, or no significant, impact on the private or voluntary sector is foreseen.